

Good afternoon Senator Fonfara, Representative Scanlon, Senator Martin Representative Chessman and distinguished members of Finance, Revenue and Bonding, My name is William Buhler, I live in Cromwell and I am affiliated with CSEA and Recovery for All. Thank you for the opportunity to speak and support Senate Bills 21, 28 and 29.

Connecticut is a beautiful state but income inequality and unfair taxation have damaged the state's economy. It's not just inequality alone, but the fact that so much of income gain is going to those at the very top and so little reaches the hands of low and middle income households. Connecticut's inequitable tax structure only makes this problem worse.

As shown by the DRS Tax Incidence Study of 2014 below as well as the recent update,** Connecticut's lowest effective tax rate is enjoyed by households in the highest income range, those with the lowest propensity to consume. It's a kind of tax privilege that's not helpful for Connecticut's economic growth nor its need for an adequate revenue stream.

On the other hand, low and middle income households, those who have the highest propensity to consume are burdened with the highest effective tax rates, thereby choking off their ability to spend. By so doing, Connecticut's terribly unfair tax system chokes off both consumer spending and state government spending, the primary and secondary drivers of economic growth.

In a growing economy, money spent by households at all income levels creates ripples of economic expansion as money changes hands. We no longer have that. Due to income inequality and unfair taxation Connecticut's economy has not grown at all during the last decade. It's up to us to fix it.

Incidence by Income Deciles

Decile	2011 Connecticut AGI	Households	Aggregate CT AGI	Total CT Tax Burden	% of Total CT Tax Burden	Overall Effective Tax Rate
1	up to \$47,948	725,202	\$15,103,112,547	\$ 3,551,623,136	20.4%	23.62%
2	47,949 - 74,427	251,321	15,103,182,979	2,100,593,754	12.0%	13.93%
3	74,428 - 101,827	173,126	15,103,113,264	2,014,520,578	11.5%	13.35%
4	101,828 - 134,527	129,303	15,102,288,605	1,942,718,571	11.1%	12.87%
5	134,528 - 182,087	97,426	15,103,013,303	1,801,490,280	10.3%	11.93%
6	182,088 - 287,629	67,958	15,102,959,408	1,589,293,086	9.1%	10.53%
7	287,630 - 612,040	37,893	15,104,085,522	1,363,120,986	7.8%	9.03%
8	612,041 - 2,019,383	15,050	15,103,068,542	1,161,320,404	6.7%	7.69%
9	2,019,384 - 13,194,828	3,646	15,113,849,361	982,396,335	5.6%	6.50%
10	13,194,829 and up	357	15,090,190,108	947,037,937	5.4%	6.28%
TOTAL		1,501,282	\$151,028,863,639	\$17,454,115,067	100.0%	11.57%

* Turner, Adair, Chairman of the Institute for New Economic Thinking, quoted in Rana Foroohar's book Makers and Takers, page 8.

** The 2022 Tax Incidence report from CT Voices for Children shows that Connecticut's current effective tax rates are even more regressive and unfair than they were in 2014.